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The 1996 State of the City, Public Health Address

"Promote the best possible state of physical and mental health for all San Franciscans"

Presented to:

The San Francisco Board of Supervisors

Delivered on April 15, 1996

San Francisco, California

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Submitted by Sandra R. Hernández, M.D., Director of Health

The 1996 State of the City, Public Health Address

President Shelley, and Members of the Board:

I am Sandra R. Hernández, M.D. I have worked for the San Francisco Department of Public Health since 1988; I currently serve as the Director of Health and the County Health Officer.

Thank you for the opportunity to appear before you today. I am pleased to present you with *The 1996 State of the City, Public Health Address.* Challenges in today's economic environment effect the access, financing and organization of our health care system. As the Director of Health, I want to offer you a snapshot of San Francisco's key health indicators and the specific challenges facing public health today. I hope that this information assists you in your legislative and policy work.

I would like to begin by recognizing representatives of our Health Commission who are here today, and the presence of the Department's Executive Staff members. I am honored to work with such a talented and dedicated staff of health professionals.

I will comment briefly on each of the following issues:

I. State and federal policy trends

II. Health related economic impacts

III. Key public health indicators for San Francisco

The 1996 State of the City, Public Health Address

The disappointment of 1994's National Health Care Reform debate did not end reform discussions. It did end the focus of discussion on the goal of Universal Health Insurance. However, current Congressional and State proposals are moving rapidly to move the public health care environment into a competitive market driven approach.

Health care does not lend itself to typical market behavior. The transition from fee-for-service to a managed care capitated environment must be assessed and regulated within an ethical and value identified framework if the systems of care for the poor and most vulnerable are to remain intact.

While competition may slow the rate of growth or in some cases directly lower health care costs, through improved management of heath services, it does not provide coverage for the uninsured and vulnerable, high risk populations which include children, frail elders, chronically ill adults, and low income families. Improved community health status requires universal coverage for all residents of the community, including vulnerable and special needs populations.

Over time, the Department, in partnership with the community, consumers and advisory boards has identified a series of values which guide its planning, budgeting and policy actions. The following principles guide us in this era of health system reform and includes but is not limited to:

- Promote health care access for all, and the elimination of financial, cultural, linguistic, physical, and operational barriers to service

- Enhance collaborations with the private sector, public non-profit and the community to provide timely and appropriate health care to all San Francisco residents, regardless of their financial or immigration status
- Provide consumer guided, community based, culturally competent health care
- Remain committed to core public health programs such as immunization, disease outbreak control, Tuberculosis, Sexually Transmitted Diseases and HIV programs
- Focus on Community Oriented Primary Care
- Employ the cost effective use of public, private and community resources and assets
- Develop community alternatives to institutionalization for long-term care
- Develop maximum independence and productivity for the serious mentally ill and drug addicted populations
- Recognize the importance of a fully integrated health delivery system as the means for the future of health care
- Assure accountability in the use of limited public dollars
- All public health policy shall be made by the people, for the people, and with the people, involving residents, consumers, community leaders, advocates, business/employers, foundations, providers both public and private, religious, public servants, educators and appointed as well as elected officials.

The tension between these publicly held values, and private for-profit incentives in an increasingly polarized economic environment will

determine the shape of our common future and the health and well being of San Franciscans.

Economic Indicators:

According to reports from the 1995 California Business Roundtable and San Francisco records:

- California spent $105.3 billion on health care in 1994.

  --This equaled 12.2% of the State's economy.

  --Health care costs have been growing at 6.4%/year, more rapidly than the rest of the California economy, but slower than the national average .

- Less of the health care dollar is being spent on hospital care.

  -- The share of the health care premium dollar going to hospital care has declined from 38% to 34.8% over the last ten years

- The percent of Californians covered by employment based health insurance has dropped significantly in the past six years.

  -- Statewide it fell from 57% in 1988 to only 50% in 1994

  -- Only 54% of San Franciscans have employer based health insurance

- California has more physicians per capita than the national average

  -- In San Francisco the number of licensed physicians is approximately 5,000 (including researchers) The ratio of physicians/residents is 1:145

- California's uninsured profile:

  -- 23% of the population (under age 65) is uninsured

-- 1.6 million children (under age 18) is uninsured, 1 in every five children in our State

-- 83% are workers or are in families headed by a worker

-- 59% (3.7 million persons) are full-time workers and their dependent spouses and children

In this decade of market driven health care, the Department believes that it is vitally important that San Francisco reaffirm its commitment to public health; supportive housing; environmental health; public education; disease control; health promotion, and most importantly primary prevention. Supervisors, these activities must never be neglected.

San Francisco's public policy and regulatory guidelines will determine how we serve our community's health needs. As elected officials, I ask you to consider these guidelines when you consider our City's public health policy.

1. **Real and continuous progress must be made toward universal access for all Americans.** Competition will be counterproductive if millions of Americans remain uninsured and otherwise lack timely access to care.

   * **Universal coverage:** steps must be taken toward expanded and adequately financed coverage, while avoiding retreat from current coverage levels in public programs.

   * **Strengthened access** for vulnerable, hard to serve populations and underserved populations.

2. **Competition must be shaped to serve people and communities first and foremost--not institutions, professionals, or investors.** The primary goal of competition in health care is improved health status, not

the financial success of individuals, providers or plans. Any efficiencies achieved shall be reinvested toward furthering the health of the community overall.

3. **Competition must ensure a focus on efficiency, quality, and improved health status rather than on:**

    * avoiding the uninsured
    * avoiding high-risk patients and populations with special needs

4. **Competition must encourage the development of community based networks and providers that are:**

    * focused on the needs of individuals and communities
    * clinically and financially integrated
    * accountable to beneficiaries and responsive to ongoing and explicit community input

5. **Development and maintenance of important specialty services such as our trauma care, burn care, neonatal intensive care, emergency care, and appropriate social and support services.**

    * education and training of present and future health care professionals
    * health related research which focuses on outcomes and quality of life
    * development and assessment of new technologies
    * prevention and health promotion

The public and private health care providers are confronting an era of reduced State and federal funding. San Francisco has supported DPH programs while State and federal governments have shifted health care costs

and responsibilities to local governments over the past few years. This cost shifting is occurring at the same time that we see an increase in the number of our local residents who lack health care coverage.

Health is the barometer by which we measure how well our society is doing. Health is not merely a function of how difficult or easy it is to see your health care provider or obtain services, nor is it simply the absence of disease. Economic status, lifestyle choices, chronic diseases, educational attainment, environmental factors, and the housing conditions in which individuals and families influence the health of a community. As a result, the Department works to support a comprehensive, community based approach to health services that recognizes the need to address other factors such as poverty; unemployment and underemployment; sexual, physical and emotional violence in the home, in the workplace and among youth; supportive housing for special populations, and hazardous waste mitigation.

Let me close by saying that we are deeply indebted to all 5,500 Department of Public Health public servants for their hard work and professionalism. Without the ongoing commitment and dedication of our staff, none of the Department's program or operating initiatives can be realized. In the coming years, our workforce will be critical to moving the Department forward in meeting the challenges of the rapidly changing health care industry.

The entire staff of the Department and I are committed to working with the Health Commission, Mayor Brown, this Board of Supervisors, the

community and the staff of the Department to move closer to our shared goals.

I sincerely appreciate the opportunity to provide this 1996 Address to you today. I look forward to our continued dialogue, in this rapidly changing health environment. I am happy to take any questions as may be allowed by President Shelley.

The 1996 State of the City, Public Health Address

The following data highlights San Francisco epidemiological and demographic data.

Follow inserts:

- DPH Mission Statement
- Demographic Profile
- Youth Health
- HIV/AIDS
- Substance Abuse
- Mental Illness
- Vicious Cycle -- Jails
- Homeless and Health
- Managed Care
- Community Health Network

DPH's mission acknowledges its dual public health and personal health care responsibilities:

It is the mission of the San Francisco Department of Public Health to **set health policies, enforce regulations and ensure provision of basic health services** which promote the best possible state of physical and mental health for all San Franciscans. The Department shall:

- ❑ Promote a **healthy environment** through ongoing surveillance and assessment of the community's health
- ❑ Adopt policies and standards and disseminate information that protects and promotes **the public's health**
- ❑ Ensure **equal access** to all
- ❑ Ensure provision of a **cost-effective continuum** of essential health services

Demographic profile of San Franciscans suggests the opportunity to achieve a favorable health care status for all San Franciscans:

- ❑ Looking at certain socio-economic indicators supports an overall favorable health status:
  - high income level
  - more educated populace
  - relatively low unemployment rate
  - low teen birth rate

- ❑ However, there are significant public health challenges and threats:
  - high HIV/AIDS incidence
  - high substance abuse rates/inadequate drug treatment capacity
  - significant number of persons with serious mental illness/inadequate affordable and/or supportive housing and community alternatives to institutions

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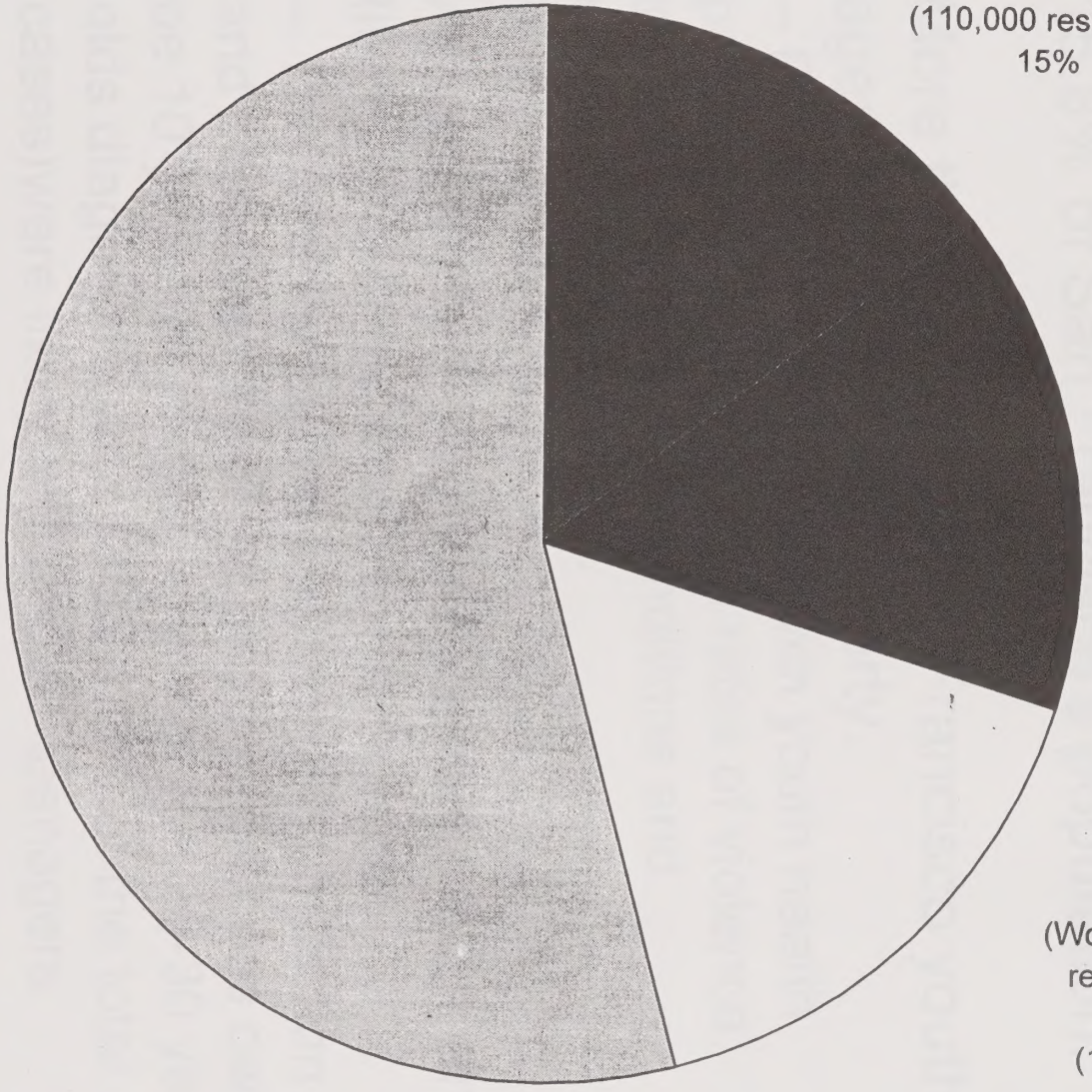
  - increased incarceration rates of substance abusers and the mentally ill
  - significant number of homeless persons

HEALTH CARE COVERAGE OF SAN FRANCISCO RESIDENTS
As of January 1996
(Total Residents = 750,000)



Youth *Health*

- 114,634 youth ages 12-24 comprise 15.8% of San Francisco's population.

- More than 20,000 San Francisco youth ages 12-24 live in poverty.
  -- Poverty is associated with youth health problems, including high rates of violence, sexually transmitted conditions and unintended pregnancy.

- An estimated 900 youth ages 13-24 are living with HIV in San Francisco.
  -- The latency period between HIV infection and development of symptoms of illness can be 10 years or longer, many of the 26-30 year olds diagnosed with AIDS (13% of the total cases)were likely infected as teenagers.

- Guns killed 49% of youth who died from injuries.

Youth *Health* --*Continued.*

- Homicide rates for youth are 33.97/100,000 --more than four times the Healthy Youth 2000 goal.

- Major depression was the third most frequent reason youth ages 13-24 were hospitalized, both in San Francisco and nationally (after childbirth and injuries).

- Births to young women 13-19 years old declined from 1991 to 1993, reflecting the national decline in teen birth rates.
  -- The most significant birth decrease was among African American young women where rates dropped by 1/5 between 1990-1993. In 1993 the rate of births to African American teens in San Francisco was 70/1000, compared to 123.5/1000 nationally.

HIV/AIDS in San Francisco

- Estimated 28,000 HIV-infected persons in San Francisco. Of reported AIDS cases:
  - 76% gay or bisexual males
  - 13% injection drug users (IDUs)
  - 8% gay or bisexual male IDUs
  - 2% heterosexual contact

- 15,474 deaths as of March 31, 1996. Among males, AIDS is the leading cause of death.

- Housing continues to be the greatest unmet need.

- The need for clean needle exchange continues to increase (approximately 1.5 million needles exchanged last year).

- The number of new HIV infections per year, including newborns, is estimated to be 1,035 (less than 15 are newborns).

Substance Abuse

- 70% of all accidental deaths in San Francisco were due to drug overdose and poisoning (1993-94).

- **San Francisco has the highest rate of drug-related emergency room visits in the nation**. These deaths are preventable. Substance abuse exacerbates San Francisco's AIDS, homelessness, homicide, suicide, violence (domestic, sexual and youth), incarceration, and accident rates.

- At least 11% of pregnant women in San Francisco use alcohol and/or drugs during pregnancy resulting in high infant mortality, and drug-addicted babies.

- One third of adolescents surveyed identified Alcohol and drugs as the top health problem for their peers.

Substance Abuse -- Continued

- Daily, 1,000 individuals are turned away from substance abuse treatment due to limited capacity.

- Research indicates that every $1 invested in substance abuse treatment saves $7 in criminal justice, health care and social services costs.

- The substance abuse epidemic is not stagnant. California and San Francisco are experiencing an alarming rise in the use of methamphetamines ("meth"). Meth is highly addictive, readily affordable and lethal. There was a 104% increase in methamphetamine caused deaths between 1992-93 and 1993-94.

Mental Illness

- **San Francisco has the highest suicide rate among urban counties in California.** In 1994, there were almost twice the number of deaths attributable to suicide than attributed to homicide in San Francisco.

- Substance abuse is often a factor in mental disorder — 70% of clients hospitalized for serious mental disorders also abuse alcohol and/or illicit drugs.

- 15,700 indigent residents receive publicly-funded mental health services.

- The cost per day for institutional mental health services is $102. (Napa is $320.)

- The cost per day for residential board and care for the mentally ill is $14.30.

Vicious Cycle — Housing Substance Abuser and the Mentally Ill in Jails

- DPH provides medical and psychiatric services in the County's jails. Every inmate is given a medical evaluation. The average daily population is 1,950. The average daily population at Youth Guidance Center is 150.

- Over 70% of the bookings at the Hall of Justice are for drug-related charges.

- Jail detention costs average $70 per day while residential treatment for substance abuse averages $50 per day.

- 11% - 20% of San Francisco inmates exhibit symptoms of severe mental illness.

- Except for a few small grants, all costs associated with incarcerated individuals are borne by the General Fund. 17% of the Department's general fund budget is spent on health and psychiatric care for the jail and juvenile hall population.

Homelessness and Health

- **San Francisco has the second highest rate of homelessness in the US.** Estimates are that 7,000 - 8,000 San Franciscans are homeless

- Approximately 40% of San Francisco's homeless population are believed to suffer mental health illness.

There are a number of market forces shaping health care in San Francisco: "Buyer's Market"

- **Growing Uninsured**
  - Estimated 120,000 (16%) in San Francisco
  - Federal Medicaid reductions threaten to increase **uninsured crisis**

- **San Francisco Health Care Market**
  - Oversupply of acute care beds (5,000 licensed and 1,600 average daily census). Providers are merging and negotiating increased affiliations.

- **Private Sector Providers**
  - Competitive cost pressures
  - Managed care proliferation
  - Seeking to expand patient base to include those with publicly-supported health care coverage, i.e. Medi-Cal, Medi-Care

- **Public Sector Payors**
  - Health care expenditures pitted against balancing the federal deficit
  - Public health systems and managed care systems have different orientations — promoting access vs. controlling utilization
  - Reductions in the number of reimbursed patients can create an **entirely indigent health care system in the public sector**

Managed care is rapidly becoming the predominate form of health care delivery

- Managed care is a "comprehensive system of care delivery and financing".

- Managed care is not new. Roughly 63% of all privately insured Americans are in a managed care delivery system (i.e., health maintenance organization, preferred provider networks and point-of-service plans).

- While there are many different types of managed care organizations, they all have the same goals:
  - to manage and control utilization (how many services are used by eligible patients or "covered lives")
  - to control costs (how much is spent to provide services).

- Managed care as a model places financial incentives on providers to emphasize preventive care, primary care and community services in an effort to reduce higher cost services such as acute hospital stays.

The major differences between the fee-for service system and managed care are:

Yesterday's Health Care	Tomorrow's Health Care
Taking care of **patients**. They come to us and or other providers when they are sick — we don't have to do anything to get patients.	Serving **customers** or **members** who have a choice of health care providers. Now other health care providers are competing for sponsored patients and all providers must compete for "lives."
Focus on **illness** in an **acute care** setting (i.e., hospital).	Focus on **preventive primary care** in an **outpatient** setting.
Fee-for-service payments: Providers get paid for each service we provide.	**Capitation payments**: we receive a set amount of money per member per month. Providers are "at-risk" if they provide or arrange for services which cost more than the fixed payment regardless of clinical need.
Wide array of **separate** services driven by patient and/or their provider's as advocates.	**Single point of entry** through a primary care provider who authorizes the use of services. The gatekeepers may financially benefit from restricting access.

The State of California as a payor, is aggressively transferring beneficiaries to managed care programs.

- Medicaid is the nation's program for providing health and long-term care coverage to low-income persons. It is financed by both the state and federal governments.

- Being poor alone does not automatically qualify an individual for Medi-Cal -- one must fall into a particular "category" such as people receiving cash assistance (AFDC), low-income children, poor and disabled, or pregnant women.

- Current welfare reform proposals will have the effect of decreasing the number of San Franciscans whose health care will be guaranteed by the State and federal government.

- **California's Medicaid program (Medi-Cal) has one of the lowest expenditure per eligible amount in the nation.**

  Expenditure = State General Fund cost for Medi-Cal Eligibles

  State cost(s) = Expenditures x Number of Eligibles

- **Most of the growth in costs are attributable to a growing eligible population and not to an increased cost of services.**

DPH is undertaking a number of activities in order to provide care effectively in a managed care environment

- ❑ Educating our employees and the public about managed care

- ❑ Participating and providing leadership in the development of the San Francisco Health Plan (a public HMO)
  - preservation of safety net providers
  - improve access to care
  - forging new partnerships with private providers

- ❑ Partnering with commercial HMOs (Pacificare) (Blue Cross in progress)
  - establish city-wide outcome objectives while building on strong prevention programs
  - gain experience managing care
  - preserve current "market share" and payor mix

- ❑ Providing more employer-based health services:
  - * City Health Plan I
  - * Worker's Compensation
  - * San Francisco International Airport Clinic

Community Health Network of San Francisco

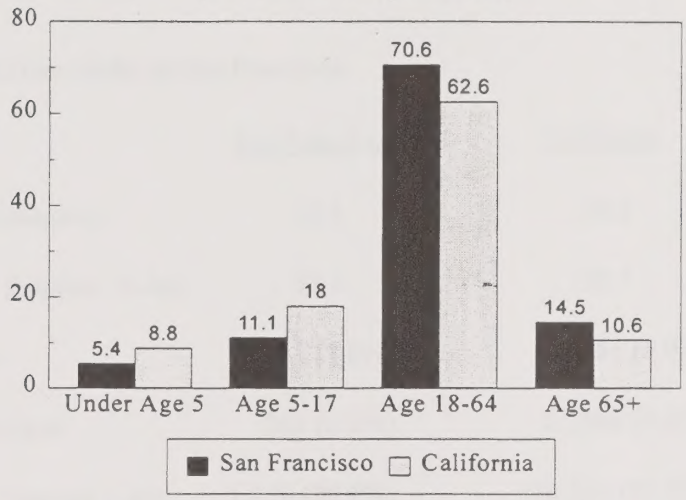
- Combines the Department of Public Health's community-oriented primary care clinics with the outpatient and inpatient services at San Francisco General Hospital. This was done in conjunction with the UCSF Medical Group (faculty) at San Francisco General Hospital.

- CHNSF is a comprehensive health care network providing primary, specialty, diagnostic and ancillary services.

- Network services are characterized by a public health philosophy which emphasizes prevention, access and cultural competency.

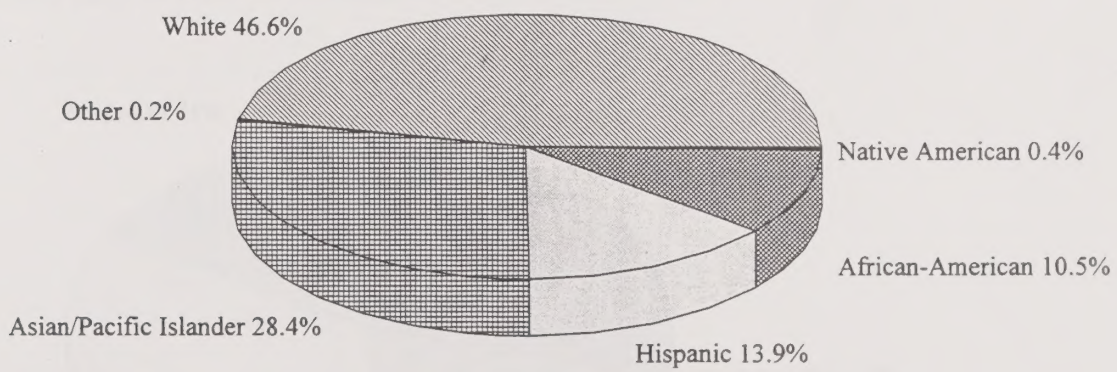
THE DEMOGRAPHICS OF OUR CITY

POPULATION BY AGE, 1992
(Percent of Population)



Source: California Dept. of Health Services, 1994 Report - Health Data Summaries For California Counties

POPULATION BY ETHNICITY, 1990



Source: 1990 Census

POPULATION LIVING BELOW FEDERAL POVERTY STANDARDS, 1990

	San Francisco	California
Total Population	12.7%	12.5%
By Selected Age Groups:		
Children Under 6	17.7%	19.1%
Adults 65 and Over	9.9%	7.6%

Source: 1990 Census

HEALTH STATUS INDICATORS

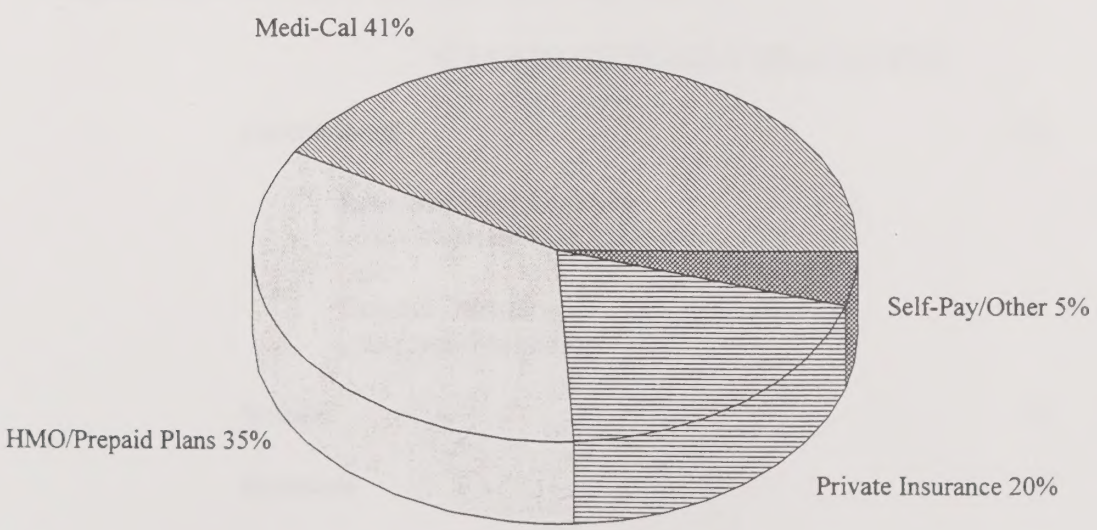
REPRODUCTIVE INDICATORS, 1994

In 1994, there were 9,045 live births in San Francisco.

	San Francisco	California
Birth Rate (per 1,000 population)	13.1	19.2
Fertility Rate (per 1,000 females 15-44)	53.4	82.7
Low Birthweight Babies	661 (7.0%)	35,361 (5.9%)
Births to Adolescent Mothers	302 (3.2%)	27,606 (4.6%)
Mothers Who Had Late Prenatal Care	1,979 (20.9%)	148,826 (25.1%)

Sources: San Francisco Dept. of Public Health, AVSS Records; California Dept. of Health Services, 1994 Report - Health Data Summaries For California Counties

PRINCIPLE PAYMENT SOURCE FOR DELIVERIES, 1994



Source: San Francisco Dept. of Public Health, AVSS Records

LEADING CAUSES OF DEATH, 1994

	San Francisco	Rank	California	Rank
Heart Disease	2,082	1	68,312	1
Cancer	1,570	2	51,247	2
AIDS	1,147	3	6,739	7
Cerebrovascular Disease	573	4	15,703	3
Pneumonia and Influenza	380	5	10,237	5
Accidents	310	6	9,233	6
Chronic Obstructive Pulmonary Disease	250	7	11,017	4
Suicide	137	8	3,690	10
Diabetes Mellitus	115	9	4,918	8
Homicide	76	10	3,821	9
Other	1,278		37,937	
TOTAL	7,918		222,854	

Source: California Dept. of Health Services, Death Records

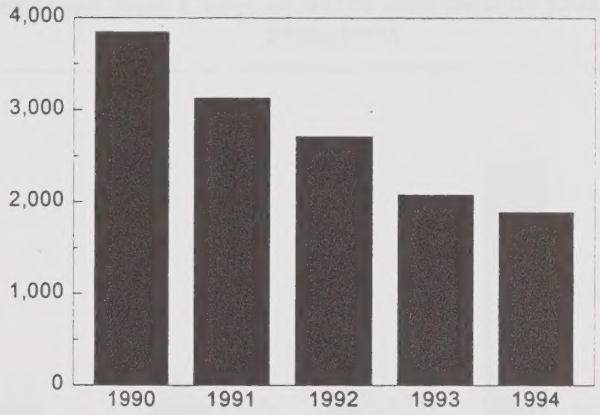
CAUSES OF INJURY DEATH, 1994

Unintentional		335
Poisoning/Drug Overdose	157	
Motor Vehicle/Other Transport	75	
Falls	57	
Fire and Drowning	21	
Other Non-Transport	25	
Suicide		137
Homicide		76
Undetermined/Other		47
TOTAL		**595**

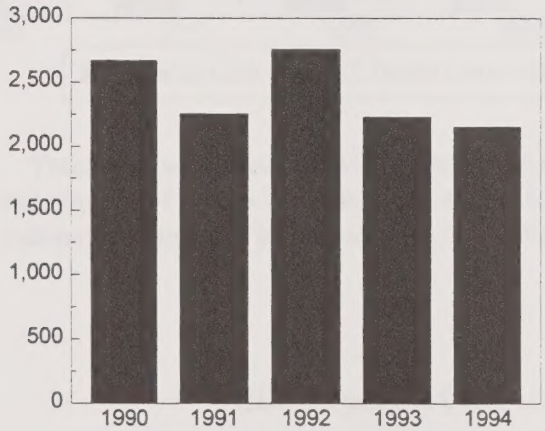
Source: California Dept. of Health Services, Death Records

SELECTED COMMUNICABLE DISEASES

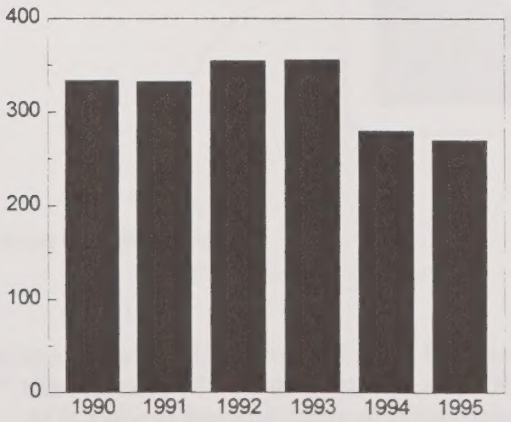
Reported Gonorrhea Cases, 1990-1994



Reported Chlamydia Cases, 1990-1994



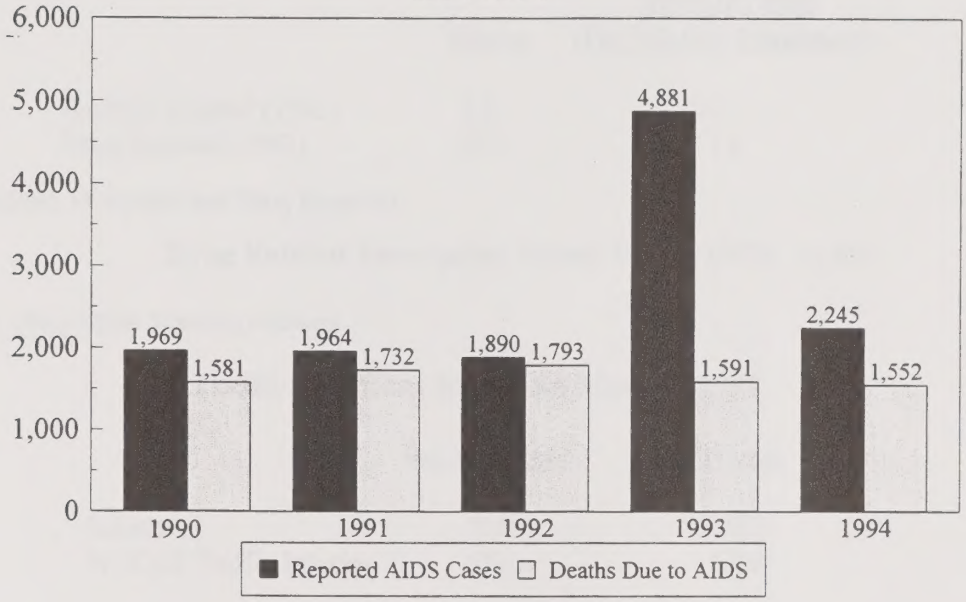
Reported Tuberculosis Cases, 1990-1995



Sources: San Francisco Dept. of Public Health, STD Control; San Francisco Dept. of Public Health, TB Control

ACQUIRED IMMUNODEFICIENCY SYNDROME (AIDS)

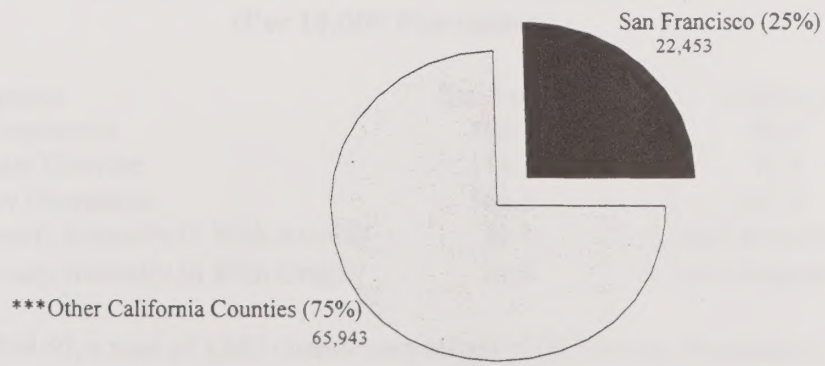
Reported New Cases of AIDS and Deaths Due to AIDS, 1990-1994



Total number of cases of AIDS reported to date: 22,453*
Total number of people who have died of AIDS to date: 15,087*
Estimated number of people who are HIV positive: 27,539**

AIDS Reported Cases,

San Francisco and Other California Counties, 1995



* San Francisco Reported AIDS Cases and AIDS Deaths as of December 31, 1995
** San Francisco HIV Positive Estimate as of December 1994
***California Reported Cases as of November 30, 1995

Sources: San Francisco Dept. of Public Health, AIDS Office, AIDS Surveillance Report; HIV Prevention Planning Council, 1995 San Francisco HIV Prevention Plan, December 1994

SUBSTANCE ABUSE

Alcohol and Drug Related Deaths

	Deaths	Mortality Rate (Per 100,000 Population)
Alcohol Related (1993)	571	76.7
Drug Related (1992)	153	17.6

Source: California Dept. of Alcohol and Drug Programs

Drug Related Emergency Room Visits, 1993: 15,463

Source: SAMHSA, Drug Abuse Warning Network

Traffic Collisions Involving Alcohol, 1993

	San Francisco	California
Injuries	750	39,437
% of All Traffic Injuries	9%	13%
Deaths	26	1,488
% of All Traffic Deaths	41%	36%

Source: California Highway Patrol, 1994 Annual Report

MENTAL HEALTH

Prevalence of Selected Mental Illnesses, 1990 (Per 10,000 Population)

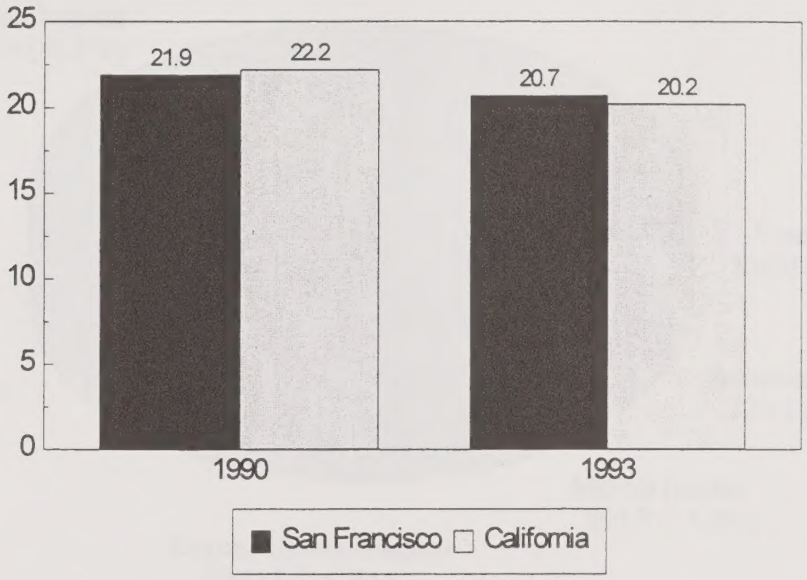
Diagnosis	San Francisco	California
Schizophrenia	108.1	96.0
Bipolar Disorder	114.3	72.0
Major Depression	561.5	447.0
Seriously Mentally Ill With Alcohol	87.1	(not available)
Seriously Mentally Ill With Drugs	94.6	(not available)

In 1994-95, a total of 8,683 clients were placed in Involuntary Psychiatric Evaluation and Treatment (5150 72-hour holds).

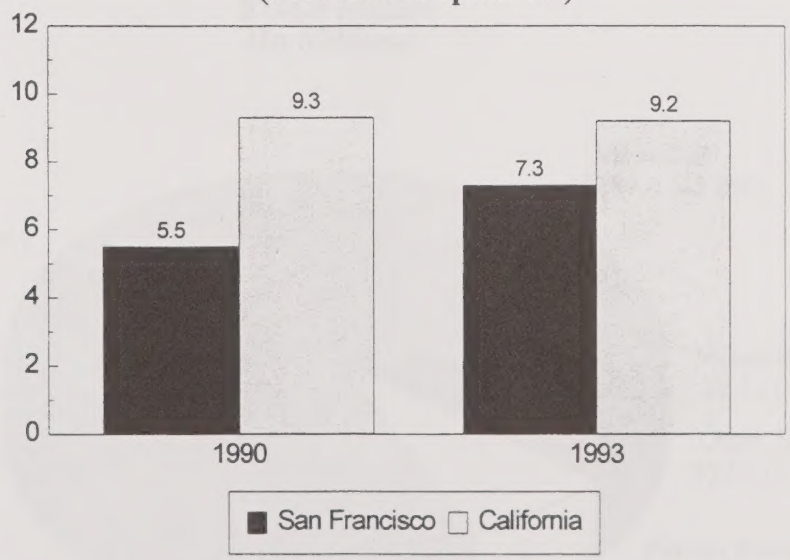
Source: California Dept. of Mental Health, California Mental Health Needs Met By Local and State Hospital Services, Needs Assessment Report, Volume One, November 1990

TOBACCO CONSUMPTION

Smoking Prevalence Among Adults, 1990 and 1993
(Percent of Population)



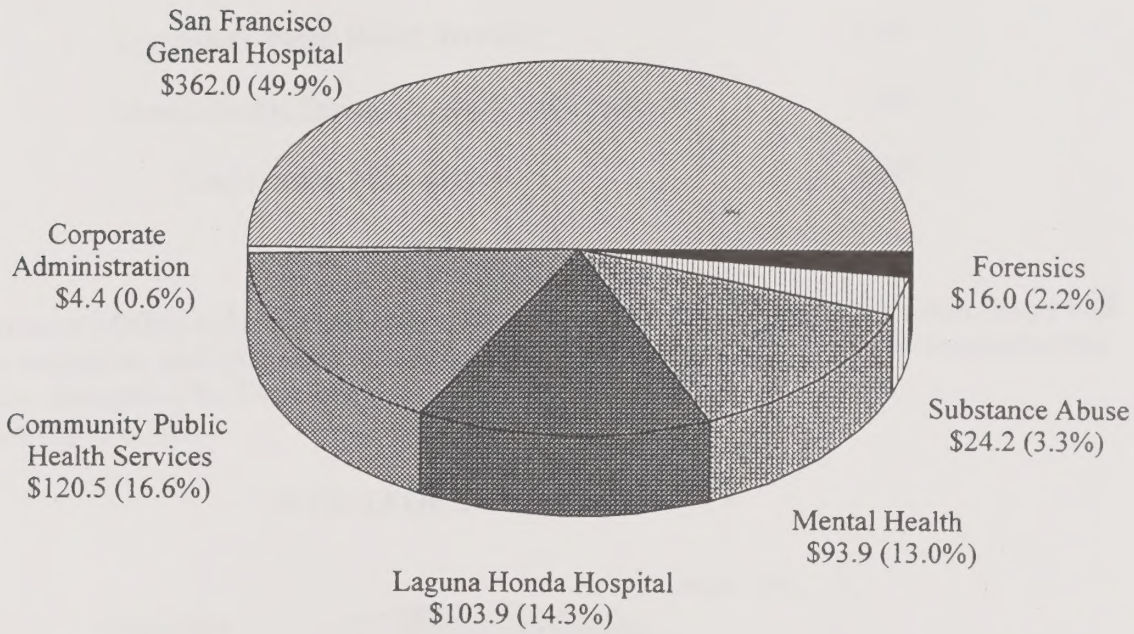
Smoking Prevalence Among Adolescents, 1990 and 1993
(Percent of Population)



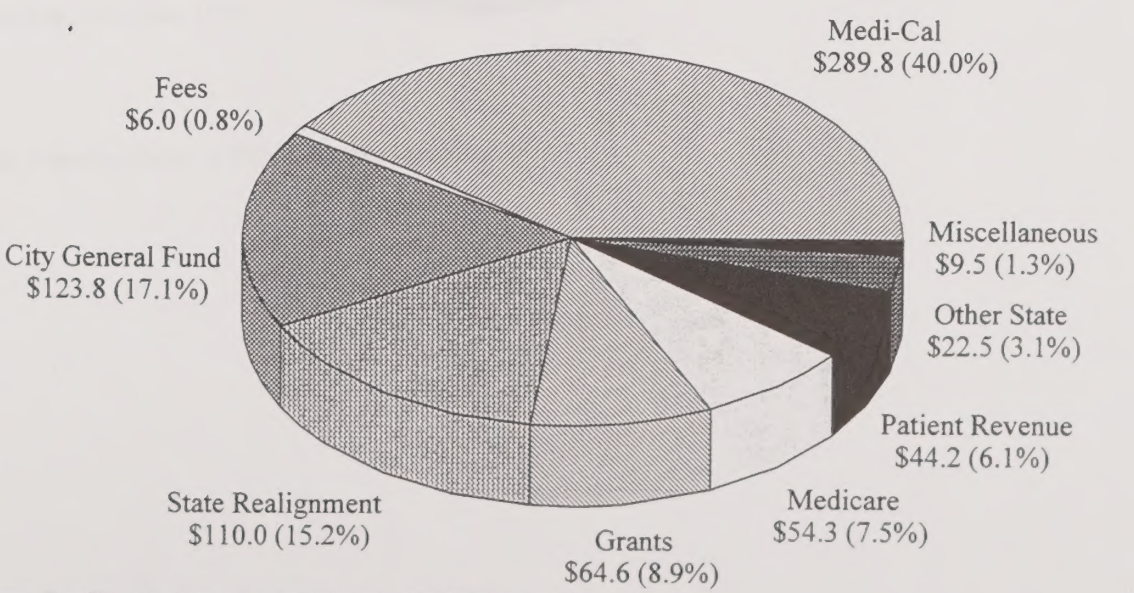
Source: California Dept. of Health Services, Tobacco Use in California, Regional Versus State Level Changes, 1990-93

1994-95 FINANCIAL INFORMATION

TOTAL EXPENDITURES BY PROGRAM
$724.8 Million
(In Millions)


San Francisco General Hospital $362.0 (49.9%)
Corporate Administration $4.4 (0.6%)
Forensics $16.0 (2.2%)
Community Public Health Services $120.5 (16.6%)
Substance Abuse $24.2 (3.3%)
Mental Health $93.9 (13.0%)
Laguna Honda Hospital $103.9 (14.3%)

TOTAL REVENUES BY SOURCE
$724.8 Million
(In Millions)



Source: San Francisco Dept. of Public Health, Budget Office

THE DEPARTMENT'S WORKFORCE

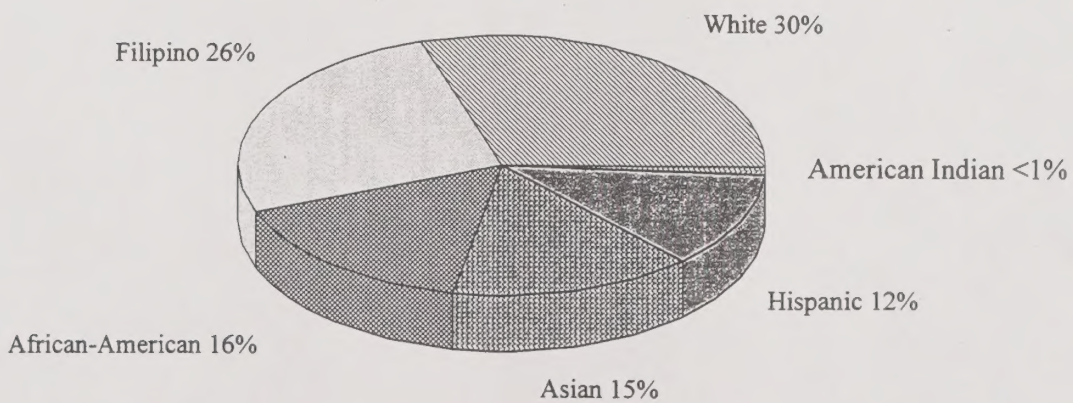
WORKFORCE BY DIVISION

San Francisco General Hospital	2,355*
Laguna Honda Hospital	1,622
Community Public Health Services	1,085
Mental Health, Substance Abuse, and Forensics	602
Total Number of Employees	**5,662**

The Department's Office of Equal Employment Opportunity and Affirmative Action works closely with managers, employees, and community groups to ensure equal access to both employment opportunities and services provided by the Department.

* Excludes UCSF employees

WORKFORCE BY ETHNICITY



Source: San Francisco Dept. of Public Health, Personnel

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